

AMENDED IN SENATE AUGUST 4, 2014

AMENDED IN SENATE JUNE 19, 2014

AMENDED IN ASSEMBLY APRIL 21, 2014

AMENDED IN ASSEMBLY MARCH 24, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2231

Introduced by Assembly Members Gordon, Levine, and Patterson

February 20, 2014

An act to amend Sections 16181, 16182, 16184, 16186, 16190, 16200, 16210, 16211, and 16211.5 of, to repeal Sections 16185, 16212, 16213, and 16214 of, and to repeal and add Section 16180 of, the Government Code, and to amend Sections 2514, 2515, 3375, 3691, 20503, 20583, 20584, 20602, 20621, 20622, 20639.10, 20639.11, 20639.12, 20645.5, and 20645.6 of, to amend and repeal Section 20623 of, to repeal Section 20583.1 of, to add Section 3376 to, the Revenue and Taxation Code, relating to state government, and making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2231, as amended, Gordon. State Controller: property tax postponement.

The Senior Citizens and Disabled Citizens Property Tax Postponement Law, until February 20, 2009, authorized a claimant, as defined, to file a claim with the Controller to postpone the payment of ad valorem property taxes, if household income, as defined, did not exceed specified amounts. That law authorized the Controller, upon approval of the claim, to either make a payment directly to specified entities, or to issue

the claimant a certificate of eligibility that constituted a written promise of the state to pay the amount specified on the certificate, as provided. That law required these payments to be made out of specified funds appropriated to the Controller, and also required certain repaid property tax postponement payments to be paid into an impound account and transferred, as specified, to the General Fund. That law also required all sums paid by the Controller for postponed property taxes to be secured by a lien in favor of the State of California.

Existing law, on and after February 20, 2009, prohibits a person from filing a claim for postponement, and prohibits the Controller from accepting applications for postponement, under the Senior Citizens and Disabled Citizens Property Tax Postponement Law.

This bill would make inoperative the prohibition against a person filing a claim for postponement and the Controller from accepting applications for postponement under the program as of July 1, 2016, and would repeal this prohibition on January 1, 2017. This bill would authorize a claim for postponement to be filed after September 1 of the fiscal year in which the postponement ~~that is claimed begins~~, and on or before April 10 of that fiscal year, as specified.

This bill would exclude losses and nonexpenses from “income” for purposes of these provisions. This bill would also exclude mobilehomes and houseboats from the scope of these provisions, and make conforming changes to related provisions.

The Senior Citizens Mobilehome Property Tax Postponement Law provides for all amounts postponed in the case of a mobilehome to be due if the claimant dies, unless the surviving spouse or other person eligible to postpone continues to occupy the mobilehome.

This bill would limit this exception to the circumstance in which the surviving spouse who was previously approved continues to occupy the mobilehome.

This bill would create in the State Treasury a Senior Citizens and Disabled Citizens Property Tax Postponement Fund. This bill would delete the requirement that funds be placed in an impound account and would, instead, require that repaid property tax postponement payments be directly deposited into the newly created fund. The bill would require any impound account funds remaining on January 1, 2015, to be transferred to the fund. The bill would continuously appropriate these funds to the Controller for purposes of administering the property tax postponement program, as specified.

Existing law authorizes the Controller to establish a fee to implement these provisions, not to exceed \$10.

This bill would authorize the Controller to charge a fee not exceeding \$30.

Existing law authorizes the Controller to subordinate the lien for postponed property taxes if the Controller determines subordination is appropriate.

This bill would eliminate that authorization and make other conforming changes.

Existing law requires that the ~~owners~~ *owner's* equity interest in the residential dwelling be at least 20% of the full value of the property *at the time the claimant files an initial postponement claim* in order to be eligible to participate in the postponement program.

This bill would increase the equity requirement to at least ~~40%~~ *40% for each postponement claim*.

Existing law requires the repayment of postponed taxes in specified circumstances.

This bill would, in addition, require repayment if the claimant refinances the dwelling or has elected to participate in a revenue mortgage program for the dwelling. The bill would require *the tax collector or* the assessor to notify the Controller if assessment records applicable to property for which taxes have been postponed reveal a change in ownership within 60 days of ~~having received notification of processing~~ that change, and require that the county tax collector *or assessor* notify the Controller within 60 days of all property subject to a “Notice of Lien for Postponed Property Taxes” *and processed for notice of* becoming tax ~~defaulted, becoming subject to collection procedures;~~ *defaulted or of* the claimant for that property, if residential, transferring ownership or changing his or her mailing address, or having been determined to be deceased.

Existing law requires a claim for postponement to be filed after May 15 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before December 10 of that fiscal year.

This bill would instead require a claim for postponement to be filed after September 1 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before April 10 of that fiscal year.

Existing law makes optional certain duties of local agencies related to recordation of the tax lien.

This bill would delete that provision, thereby imposing a state-mandated local program. The bill would require the notice of lien to be recorded within 14 days of the transfer of funds and notice of lien to the county by the Controller. The bill would impose additional requirements in the case of liens upon mobilehome loans established prior to February 20, 2009, and specify procedures to be followed by the Controller if the obligation secured by the lien is paid in full or otherwise discharged.

Existing law requires, if a postponement claim, as specified, is filed timely but before the delinquency date of the first or 2nd installment of property taxes, that any delinquent penalties and interest for the fiscal year be canceled unless the failure to perfect the claim was due to willful neglect on the part of the claimant or representative, in which case the certificates of eligibility for the fiscal year can be used to pay delinquent taxes only if accompanied by sufficient amounts to pay the delinquent interest and penalties.

This bill would instead require, if a postponement claim is filed timely before the delinquency date of the 2nd installment of property taxes on the secured roll, that any delinquent penalties, costs, fees, and interest accrued for the fiscal year be canceled. This bill would instead require, in the event of willful neglect to perfect the claim, that an electronic funds transfer for that current fiscal year be used to pay only the delinquent taxes. This bill would authorize the tax collector, if the payment amount sufficient to pay all of the delinquent penalties, costs, fees, and interest is not received by the tax collector within 30 days from the date of the electronic funds transfer, to return the electronic funds transfer to the Controller to deny the postponement claim. This bill would require the Controller to provide a specified notification to the claimant and a copy of the notification to the tax collector.

This bill would also require the Controller, upon written request of the tax collector, to provide the tax collector with information that is required for the preparation and enforcement of the sale of tax-defaulted property. The bill would require the tax collector or assessor, in the case of a tax-defaulted property sale, to include the outstanding balance of the property tax postponement loan in the minimum bid. *The bill would require that, in the event that the property fails to receive the minimum bid and the minimum bid is reduced, all moneys paid to the Controller's office and county tax collector be a proportionate allocation of the total moneys owed.* The bill would also require the tax collector or his or her designee to certify, under penalty of perjury, that

the information is requested for these purposes. This bill would also provide that any information provided to the tax collector is not a public record and is not open to public inspection. By requiring the tax collector to make a certification under penalty of perjury, this bill would expand the crime of perjury thereby imposing a state-mandated local program.

Existing law authorizes a tax collector, 5 years or more after a nonresidential commercial property has become tax defaulted, to sell the property, as specified.

This bill would authorize a county to adopt conditions and procedures to delay the sale of property that it deems may be eligible to file a property tax postponement claim, as specified.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 16180 of the Government Code is
- 2 repealed.
- 3 SEC. 2. Section 16180 is added to the Government Code, to
- 4 read:
- 5 16180. (a) There is hereby created in the State Treasury a
- 6 Senior Citizens and Disabled Citizens Property Tax Postponement
- 7 Fund. The fund shall be an interest-bearing fund. Subject to

subdivision (b) and notwithstanding Section 13340, the fund is continuously appropriated to the Controller, commencing January 1, 2015, for purposes of administering this chapter, including, but not limited to, necessary administrative costs and disbursements relating to the postponement of property taxes pursuant to the Senior Citizens and Disabled Citizens Property Tax Postponement Law (Chapter 2 (commencing with Section 20581) of Part 10.5 of Division 2 of the Revenue and Taxation Code).

(b) The Controller shall transfer any moneys in the fund in excess of ten million dollars (\$10,000,000) to the General Fund.

(c) Any loan repayments relating to the Senior Citizens and Disabled Citizens Property Tax Postponement Law shall be deposited into the Senior Citizens and Disabled Citizens Property Tax Postponement Fund.

(d) Any funds remaining on January 1, 2015, in an impound account formerly provided for pursuant to this chapter, shall be transferred to the Disabled Citizens Property Tax Postponement Fund.

SEC. 3. Section 16181 of the Government Code is amended to read:

16181. (a) The Controller shall maintain a record of all properties against which a notice of lien for postponed property taxes has been recorded. The record shall include, but not be limited to, the names of each claimant, a description of the real property against which the lien is recorded, the identification number of the notice of lien assigned by the Controller, and the amount of the lien.

(b) Upon written request of any person or entity, or the agent of either, having a legal or equitable interest in real property that is subject to a lien for postponed taxes, the Controller shall within 10 working days following receipt of the request issue a written statement showing the amount of the obligation secured by the lien as of the date of the statement and any other information as will reasonably enable the person or entity, or the agent of either, to determine the amount to be paid the Controller in order to obtain a certificate of release or discharge of the lien for postponed taxes.

(c) The Controller shall adopt regulations necessary to implement the provisions of this chapter and may establish a reasonable fee, not to exceed thirty dollars (\$30), for the provision of the statement of lien status provided for herein.

SEC. 4. Section 16182 of the Government Code is amended to read:

16182. (a) All sums paid by the Controller under the provisions of this chapter, together with interest thereon, shall be secured by a lien in favor of the State of California when funds are transferred to the county by the Controller upon the real property for which property taxes have been postponed. In the case of a residential dwelling which is part of a larger parcel taxed as a unit, such as a duplex, farm, or multipurpose or multidwelling building, the lien shall be against the entire tax parcel.

(b) In the case of real property:

(1) The lien shall be evidenced by a notice of lien for postponed property taxes executed by the Controller, or the authorized delegate of the Controller, and shall secure all sums paid or owing pursuant to this chapter, including amounts paid subsequent to the initial payment of postponed taxes on the real property described in the notice of lien.

(2) The notice of lien may bear the facsimile signature of the Controller. Each signature shall be that of the person who shall be in the office at the time of execution of the notice of lien; provided, however, that such notice of lien shall be valid and binding notwithstanding any such person having ceased to hold the office of Controller before the date of recordation.

(3) The form and contents of the notice of lien for postponed property taxes shall be prescribed by the Controller and shall include, but not be limited to, the following:

(A) The names of all record owners of the real property for which the Controller has advanced funds for the payment of real property taxes.

(B) A description of the real property for which real property taxes have been paid.

(C) The identification number of the notice of lien which has been assigned the lien by the Controller.

(4) Within 14 business days of the transfer of funds and the notice of lien to the county by the Controller, the notice of lien shall be recorded in the office of the county recorder for the county in which the real property subject to the lien is located.

(5) The recorded notice of lien shall be indexed in the Grantor Index to the names of all record owners of the real property and in the Grantee Index to the Controller of the State of California.

1 (6) After the notice of lien has been duly recorded and indexed,
2 it shall be returned by the county recorder to the office of the
3 Controller. The recorder shall provide the county tax collector with
4 a copy of the notice of lien which has been recorded by the
5 Controller.

6 (7) From the time of recordation of a notice of lien for postponed
7 property taxes, a lien shall attach to the real property described
8 therein and shall have the priority of a judgment lien for all
9 amounts secured thereby, except that the lien shall remain in effect
10 until it is released by the Controller in the manner prescribed by
11 Section 16186.

12 (c) In the case of mobilehome loans established prior to February
13 20, 2009, all of the following shall apply:

14 (1) The lien shall be evidenced by a notice of lien for postponed
15 property taxes excused by the Controller, or the authorized delegate
16 of the Controller, and shall secure all sums paid owing pursuant
17 to this chapter.

18 (2) From the time that the Department of Housing and
19 Community Development receives the notice of lien from the
20 Controller, the department shall impose a moratorium on any other
21 amendments to the permanent title record of the mobilehome unit
22 until released by the controller in the manner prescribed by Section
23 16186, or an authorization for the amendments is given by the
24 Controller in writing.

25 (3) From the time of filing a notice of lien, a lien shall attach to
26 the mobilehome for which eligibility for the postponement of
27 property taxes has been granted.

28 SEC. 5. Section 16184 of the Government Code is amended
29 to read:

30 16184. The Controller shall reduce the amount of the obligation
31 secured by the lien against the real property by the amount of any
32 payments received for that purpose and by notification of any
33 amounts paid by the Franchise Tax Board pursuant to Section
34 20564 or by any amounts authorized pursuant to subdivision (f)
35 of Section 20621 of the Revenue and Taxation Code. The
36 Controller shall also increase the amount of the obligation secured
37 by the lien by the amount of any subsequent payments made
38 pursuant to Section 16180 with respect to the real property and to
39 reflect the accumulation of interest. All such increases and
40 decreases shall be entered in the record described in Section 16181.

1 SEC. 6. Section 16185 of the Government Code is repealed.

2 SEC. 7. Section 16186 of the Government Code is amended
3 to read:

4 16186. (a) If at any time the amount of the obligation secured
5 by the lien for postponed property taxes is paid in full or otherwise
6 discharged, the Controller, or the authorized delegate of the
7 Controller, shall in the case of real property:

8 (1) Execute and cause to be recorded in the office of the county
9 recorder of the county wherein the real property described in the
10 lien is located, a release of the lien conclusively evidencing the
11 satisfaction of all amounts secured by the lien. The cost of
12 recording the release of the lien shall be added to and become part
13 of the obligation secured by the lien being released.

14 (2) Direct the tax collector to remove from the secured roll, the
15 information required to be entered thereon by paragraph (1) of
16 subdivision (a) of Section 2514 of the Revenue and Taxation Code
17 with respect to the property described in the lien.

18 (3) Direct the assessor to remove from the assessment records
19 applicable to the property described in the lien, the information
20 required to be entered on such records by Section 2515 of the
21 Revenue and Taxation Code.

22 (b) If at any time the amount of the obligation secured by the
23 lien for postponed property taxes is paid in full or otherwise
24 discharged, the Controller, or the authorized delegate of the
25 ~~Controller~~ *Controller*, shall, in the case of mobilehome loans
26 established prior to February 20, 2009:

27 (1) Direct the tax collector to remove from the secured roll the
28 information required to be entered thereon by paragraph (1) of
29 subdivision (a) of Section 2514 of the Revenue and Taxation Code.

30 (2) Transmit a Release of Lien to the owner of the mobilehome,
31 or the owner's heirs or assigns. The owner, or the owner's heirs
32 or assigns, shall transmit the Release of Lien, and a fee of six
33 dollars (\$6), to the Department of Housing and Community
34 Development. Upon receipt of the Release of Lien and the fee, the
35 department shall terminate the restriction on the permanent title
36 record as provided in Section 16182.

37 SEC. 8. Section 16190 of the Government Code is amended
38 to read:

1 16190. All amounts owing pursuant to Article 1 (commencing
2 with Section 16180) of this chapter shall become due if any of the
3 following occurs:

4 (a) The claimant, who is either the sole owner or sole possessory
5 interestholder of the residential dwelling, as defined in Section
6 20583 or Section 20640 of the Revenue and Taxation Code, or a
7 coowner or copossessory interestholder with a person other than
8 a spouse or other individual eligible to postpone property taxes
9 pursuant to Chapter 2 (commencing with Section 20581), Chapter
10 3.3 (commencing with Section 20639), or Chapter 3.5
11 (commencing with Section 20640) of Part 10.5 of Division 2 of
12 such code, ceases to occupy the premises as his residential
13 dwelling, dies, or sells, conveys, or disposes of the property, or
14 allows any tax or special assessment on the premises described in
15 Section 20583 of such code to become delinquent. If the sole owner
16 or possessory interestholder claimant dies and his or her surviving
17 spouse inherits the premises and continues to own and occupy it
18 as his or her principal place of residence, then the lien amount does
19 not become due and payable unless taxes or special assessments
20 described in the preceding sentence become delinquent, or such
21 surviving spouse dies, or sells, conveys, or disposes of the interest
22 in the property.

23 (b) The claimant, who is a coowner or copossessory
24 interestholder of the residential dwelling, as defined in Section
25 20583 or Section 20640.2 of the Revenue and Taxation Code, with
26 a spouse or another individual eligible to postpone property taxes
27 pursuant to Chapter 2 (commencing with Section 20581), Chapter
28 3.3 (commencing with Section 20639), or Chapter 3.5
29 (commencing with Section 20640) of Part 10.5 of Division 2 of
30 such code, dies, and the surviving spouse or other surviving eligible
31 individual allows any tax or special assessment on the premises
32 described in Section 20583 of such code to become delinquent or
33 such surviving spouse or other individual ceases to occupy the
34 premises as a residential dwelling, dies, or conveys, or disposes
35 of the interest in the property.

36 (c) The failure of the claimant to perform those acts the claimant
37 is required to perform where such performance is secured, or will
38 be secured in the event of nonperformance, by a lien which is
39 senior to that of the lien provided by Section 16182.

1 (d) Postponement was erroneously allowed because eligibility
2 requirements were not met.

3 (e) The claimant is refinancing the residential dwelling.

4 (f) The claimant has elected to participate in a reverse mortgage
5 program for the residential dwelling.

6 SEC. 9. Section 16200 of the Government Code is amended
7 to read:

8 16200. In the event that the Controller receives the notice
9 described in Section 16187 of this code or Section 3375 of the
10 Revenue and Taxation Code, the Controller may take any of the
11 following actions which will best serve the interests of the state:

12 (a) Notify by United States mail the tax collector or other party
13 that such notice has been received and that the Controller must be
14 given at least 20 days prior notice of the date that the property will
15 be sold at auction. If the Controller elects to proceed under this
16 subdivision, the Controller may use funds appropriated by Section
17 16100 to bid on the property at the auction up to the amount
18 secured by the state's lien on the property and any lien on such
19 property having priority over the state's lien. All additional
20 amounts paid pursuant to this subdivision shall be added to the
21 amount secured by the lien on such property provided for in Article
22 1 (commencing with Section 16180) of this chapter.

23 (b) Acknowledge by United States mail that the notice required
24 by Section 16187 of this code or Section 3375 of the Revenue and
25 Taxation Code has been received.

26 SEC. 10. Section 16210 of the Government Code is amended
27 to read:

28 16210. In the event that the amount secured by the state's lien
29 provided for in Article 1 (commencing with Section 16180) is paid
30 by reason of the sale or condemnation of the property on which
31 the lien attaches, the funds so received shall be placed in the Senior
32 Citizens and Disabled Citizens Property Tax Postponement Fund.

33 SEC. 11. Section 16211 of the Government Code is amended
34 to read:

35 16211. The claimant under Chapter 2 (commencing with
36 Section 20581), Chapter 3 (commencing with Section 20625), or
37 Chapter 3.5 (commencing with Section 20640) of Part 10.5 of
38 Division 2 of the Revenue and Taxation Code whose residential
39 dwelling was sold or condemned shall not draw upon the amount

1 in the Senior Citizens and Disabled Citizens Property Tax
2 Postponement Fund.

3 SEC. 12. Section 16211.5 of the Government Code is amended
4 to read:

5 16211.5. (a) In the event that the real property securing the
6 state's lien provided for in Article 1 (commencing with Section
7 16180) is the residential dwelling of a claimant under Chapter 2
8 (commencing with Section 20581) of Part 10.5 of Division 2 of
9 the Revenue and Taxation Code and is voluntarily sold, the funds
10 derived from the voluntary sale of the residential dwelling shall
11 be placed in the Senior Citizens and Disabled Citizens Property
12 Tax Postponement Fund. At that time, the Controller shall release
13 the state's lien in the manner prescribed by Section 16186.

14 (b) The claimant under Chapter 2 (commencing with Section
15 20581) of Part 10.5 of Division 2 of the Revenue and Taxation
16 Code whose residential dwelling was voluntarily sold shall not
17 draw upon the amount in the Senior Citizens and Disabled Citizens
18 Property Tax Postponement Fund.

19 SEC. 13. Section 16212 of the Government Code is repealed.

20 SEC. 14. Section 16213 of the Government Code is repealed.

21 SEC. 15. Section 16214 of the Government Code is repealed.

22 SEC. 16. Section 2514 of the Revenue and Taxation Code is
23 amended to read:

24 2514. (a) With respect to a claimant whose property taxes are
25 paid by a lender from an impound, trust, or other type of account
26 described in Section 2954 of the Civil Code, the tax collector shall
27 notify the auditor of the claimant's name and address, and the
28 duplicate amount of money the Controller transferred to the tax
29 collector via an electronic fund transfer.

30 The county auditor, treasurer, or disbursing officer shall send a
31 check in the amount of money based on the electronic transfer by
32 the Controller, to the Controller within 60 days of the replicated
33 payment.

34 (b) The procedures established by this chapter shall not be
35 construed to require a lender to alter the manner in which a lender
36 makes payment of the property taxes of such a claimant.

37 SEC. 17. Section 2515 of the Revenue and Taxation Code is
38 amended to read:

39 2515. (a) Upon ~~receipt~~ *processing* of a "notice of lien for
40 postponed property taxes" from the tax collector, *the tax collector*

1 ~~or the—assessor~~ *assessor; whichever is applicable*, shall
2 immediately:

3 (1) Enter, on the notice of lien, a description of the real property
4 for which the taxes have been paid by use of a certificate of
5 eligibility pursuant to Section 2514. Such description shall be a
6 “metes and bounds,” “lot-block-tract,” or such other description
7 as is determined by the Controller to sufficiently describe the real
8 property for the purpose of securing the state’s lien.

9 (2) Enter on the notice of lien, the names of all record owners
10 of the property described under subdivision (a) of this section, as
11 disclosed by the assessor’s records.

12 (3) Upon entry of the information required by subdivisions (a)
13 and (b) of this section on the notice of lien, the assessor shall
14 immediately forward the notice of lien to the county recorder.

15 (4) Enter on the assessment records applicable to the property,
16 the fact that the taxes on the property have been postponed and
17 the Controller’s identification number, and shall, if such record
18 reveals a change in the ownership status of the property subsequent
19 to the date of entry of the postponement information thereon, notify
20 the Controller within 60 days of ~~having received notification of~~
21 *processing* the change in the ownership status in the manner
22 prescribed by the Controller.

23 (b) From the time of recordation of the notice of lien pursuant
24 to Section 16182 of the Government Code, the lien for postponed
25 property taxes shall be deemed to impart constructive notice of
26 the contents thereof to subsequent purchasers, mortgagees, ~~lessees~~
27 *lessees*, and other lienors.

28 SEC. 18. Section 3375 of the Revenue and Taxation Code is
29 amended to read:

30 3375. The county tax collector *or assessor; whichever is*
31 *applicable*, shall notify the Controller within 60 days, in the manner
32 as the Controller shall direct, of all property subject to a “Notice
33 of Lien for Postponed Property Taxes” recorded pursuant to Section
34 16182 of the Government Code ~~that:~~ *and for which notice of any*
35 *of the following has been processed:*

36 (a) Becomes tax defaulted subsequent to the date of entry on
37 the secured roll of the information required by subdivision (a) of
38 Section 2514; or

~~(b) Becomes subject to those collection procedures that are available for collection of delinquent taxes or assessments on the unsecured roll; or~~

~~(e)~~

(b) The claimant of which transfers ownership or changes his or her mailing address, and the property is a residential property; or

~~(d)~~

(c) The claimant of which has been determined to be deceased.

SEC. 19. Section 3376 is added to the Revenue and Taxation Code, to read:

3376. (a) Upon request of the tax collector, the Controller shall provide to the tax collector information that is required for the preparation and enforcement of the sale of property under Part 6 (commencing with Section 3351) of Division 1. This information may include social security numbers.

(b) The tax collector or his or her designee shall certify, under penalty of perjury, to the Controller, that the information requested pursuant to subdivision (a) is required for the purposes specified in subdivision (a).

(c) Any information provided to the tax collector pursuant to subdivision (a) is not a public record and is not open to public inspection.

(d) In the event of a tax-defaulted property sale, the tax collector or assessor shall include the outstanding balance of the property tax postponement loan in the minimum bid. *Should the property fail to receive the minimum bid, and the minimum bid is reduced, all moneys paid to the Controller's office and county tax collector shall be a proportionate allocation of the total moneys owed.*

SEC. 20. Section 3691 of the Revenue and Taxation Code is amended to read:

3691. (a) (1) (A) Five years or more, or three years or more in the case of nonresidential commercial property, after the property has become tax defaulted, the tax collector shall have the power to sell and shall attempt to sell in accordance with Section 3692 all or any portion of tax-defaulted property that has not been redeemed, without regard to the boundaries of the parcels, as provided in this chapter, unless by other provisions of law the property is not subject to sale. Any person, regardless of any prior or existing lien on, claim to, or interest in, the property, may

1 purchase at the sale. In the case of tax-defaulted property that has
2 been damaged by a disaster in an area declared to be a disaster
3 area by local, state, or federal officials and whose damage has not
4 been substantially repaired, the five-year period set forth in this
5 subdivision shall be tolled until five years have elapsed from the
6 date the damage to the property was incurred.

7 (B) A county may elect, by an ordinance or resolution adopted
8 by a majority vote of its entire governing body, to adopt conditions
9 and procedures for the delay of sale of properties as described in
10 subparagraph (A) that it finds may be eligible to file a property
11 tax postponement claim with the State Controller prior to January
12 1, 2017.

13 (C) A county may elect, by an ordinance or resolution adopted
14 by a majority vote of its entire governing body, to have the
15 five-year time period described in subparagraph (A) apply to
16 tax-defaulted nonresidential commercial property.

17 (D) For purposes of this subdivision, “nonresidential commercial
18 property” means all property except the following:

19 (i) A constructed single-family or multifamily unit that is
20 intended to be used primarily as a permanent residence, is used
21 primarily as a permanent residence, or that is zoned as a residence,
22 and the land on which that unit is constructed.

23 (ii) Real property that is used and zoned for producing
24 commercial agricultural commodities.

25 (2) When a part of a tax-defaulted parcel is sold, the balance
26 continues subject to redemption and shall be separately valued for
27 the purpose of redemption in the manner provided by Chapter 2
28 (commencing with Section 4131) of Part 7.

29 (3) The tax collector shall provide notice of an intended sale
30 under this subdivision in the manner prescribed by Sections 3704
31 and 3704.5 and any other applicable statute. If the intended sale
32 is of nonresidential commercial property that has been tax-defaulted
33 for fewer than five years, all of the following apply:

34 (A) On or before the notice date, the tax collector shall also
35 mail, in the manner specified in paragraph (1) of subdivision (c)
36 of Section 2924b of the Civil Code, notice containing any
37 information contained in the publication required under Sections
38 3704 and 3704.5 to, as applicable, all of the following:

39 (i) The parties specified in paragraph (2) of subdivision (c) of
40 Section 2924b of the Civil Code.

1 (ii) Each taxing agency specified in paragraph (3) of subdivision
2 (c) of Section 2924b of the Civil Code.

3 (iii) Any beneficiary of a deed of trust or a mortgagee of any
4 mortgage recorded against the nonresidential commercial property,
5 and any assignee or vendee of these beneficiaries or mortgagees.

6 (B) For purposes of this paragraph:

7 (i) “Notice date” means a date not less than 45 days nor more
8 than 120 days before an intended sale or not less than 45 days nor
9 more than 120 days before the date upon which the property may
10 be sold.

11 (ii) “Recording date of the notice of default” as used in
12 subdivision (c) of Section 2924b of the Civil Code means a date
13 that is 30 days before the notice date.

14 (iii) “Deed of trust or mortgage being foreclosed” as used in
15 subdivision (c) of Section 2924b of the Civil Code means the
16 defaulted tax lien.

17 (b) (1) (A) Three years or more after the property has become
18 tax defaulted and a request has been made by a city, county, city
19 and county, or nonprofit organization pursuant to Section 3692.4,
20 or a request has been made by a person or entity that has recorded
21 a nuisance abatement lien on that property, to offer that property
22 at the next scheduled tax sale, the tax collector shall have the power
23 to sell and may sell all or any portion of tax-defaulted property
24 that has not been redeemed, without regard to the boundaries of
25 parcels, as provided in this chapter at the next scheduled tax sale,
26 unless by other provisions of law the property is not subject to
27 sale. Any person, regardless of any prior or existing lien on, claim
28 to, or interest in, the property, may purchase at the sale.

29 (B) When a part of a tax-defaulted parcel is sold, the balance
30 continues subject to redemption and shall be separately valued for
31 the purpose of redemption in the manner provided by Chapter 2
32 (commencing with Section 4131) of Part 7.

33 (2) Before the tax collector sells vacant residential developed
34 property pursuant to this subdivision, actual notice, by certified
35 mail, shall be provided to the property owner, if the property
36 owner’s identity can be determined from the county assessor’s or
37 county recorder’s records. The tax collector’s power of sale shall
38 not be affected by the failure of the property owner to receive
39 notice.

1 (3) Before the tax collector sells vacant residential developed
2 property pursuant to this subdivision, notice of the sale shall be
3 given in the manner specified by Section 3704.7.

4 (c) The amendments made to this section by the act adding this
5 subdivision apply to property that becomes tax defaulted on or
6 after January 1, 2005.

7 SEC. 21. Section 20503 of the Revenue and Taxation Code is
8 amended to read:

9 20503. (a) "Income" means adjusted gross income as defined
10 in Section 17072 plus all of the following cash items:

- 11 (1) Public assistance and relief.
- 12 (2) Nontaxable amount of pensions and annuities.
- 13 (3) Social security benefits (except Medicare).
- 14 (4) Railroad retirement benefits.
- 15 (5) Unemployment insurance payments.
- 16 (6) Veterans' benefits.
- 17 (7) Exempt interest received from any source.
- 18 (8) Gifts and inheritances in excess of three hundred dollars
19 (\$300), other than transfers between members of the household.
20 Gifts and inheritances include noncash items.
- 21 (9) Amounts contributed on behalf of the contributor to a
22 tax-sheltered retirement plan or deferred compensation plan.
- 23 (10) Temporary workers' compensation payments.
- 24 (11) Sick leave payments.
- 25 (12) Nontaxable military compensation as defined in Section
26 112 of the Internal Revenue Code.
- 27 (13) Nontaxable scholarship and fellowship grants as defined
28 in Section 117 of the Internal Revenue Code.
- 29 (14) Nontaxable gain from the sale of a residence as defined in
30 Section 121 of the Internal Revenue Code.
- 31 (15) Life insurance proceeds to the extent that the proceeds
32 exceed the expenses incurred for the last illness and funeral of the
33 deceased spouse of the claimant. "Expenses incurred for the last
34 illness" includes unreimbursed expenses paid or incurred during
35 the income calendar year and any expenses paid or incurred
36 thereafter up until the date the claim is filed. For purposes of this
37 paragraph, funeral expenses shall not exceed five thousand dollars
38 (\$5,000).
- 39 (16) If an alternative minimum tax is required to be paid
40 pursuant to Chapter 2.1 (commencing with Section 17062) of Part

1 10, the amount of alternative minimum taxable income (whether
2 or not cash) in excess of the regular taxable income.

3 (17) Annual winnings from the California Lottery in excess of
4 six hundred dollars (\$600) for the current year.

5 (b) For purposes of this chapter, total income shall be determined
6 for the calendar year (or approved fiscal year ending within that
7 calendar year) which ends within the fiscal year for which
8 assistance is claimed.

9 (c) For purposes of this chapter, all losses and nonexpenses shall
10 be converted to zero for the purpose of determining whether the
11 homeowner meets the Property Tax Postponement requirement.

12 (d) For purposes of Chapter 2 (commencing with Section
13 20581), Chapter 3 (commencing with Section 20625), and Chapter
14 3.5 (commencing with Section 20640), total income shall be
15 determined for the calendar year ending immediately prior to the
16 commencement of the fiscal year for which postponement is
17 claimed.

18 SEC. 22. Section 20583 of the Revenue and Taxation Code is
19 amended to read:

20 20583. (a) “Residential dwelling” means a dwelling occupied
21 as the principal place of residence of the claimant, and so much
22 of the land surrounding it as is reasonably necessary for use of the
23 dwelling as a home, owned by the claimant, the claimant and
24 spouse, or by the claimant and either another individual eligible
25 for postponement under this chapter or an individual described in
26 subdivision (a), (b), or (c) of Section 20511 and located in this
27 state. It shall include condominiums that are assessed as realty for
28 local property tax purposes. It also includes part of a multidwelling
29 or multipurpose building and a part of the land upon which it is
30 built.

31 (b) As used in this chapter in reference to ownership interests
32 in residential dwellings, “owned” includes (1) the interest of a
33 vendee in possession under a land sale contract provided that the
34 contract or memorandum thereof is recorded and only from the
35 date of recordation of the contract or memorandum thereof in the
36 office of the county recorder where the residential dwelling is
37 located, (2) the interest of the holder of a life estate provided that
38 the instrument creating the life estate is recorded and only from
39 the date of recordation of the instrument creating the life estate in
40 the office of the county recorder where the residential dwelling is

1 located, but “owned” does not include the interest of the holder of
2 any remainder interest or the holder of a reversionary interest in
3 the residential dwelling, (3) the interest of a joint tenant or a tenant
4 in common in the residential dwelling or the interest of a tenant
5 where title is held in tenancy by the entirety or a community
6 property interest where title is held as community property, and
7 (4) the interest in the residential dwelling in which the title is held
8 in trust, as described in subdivision (d) of Section 62, provided
9 that the Controller determines that the state’s interest is adequately
10 protected.

11 (c) Except as provided in subdivision (c), and Chapter 3
12 (commencing with Section 20625), ownership must be evidenced
13 by an instrument duly recorded in the office of the county where
14 the residential dwelling is located.

15 (d) “Residential dwelling” does not include any of the following:

16 (1) Any residential dwelling in which the owners do not have
17 an equity of at least 40 percent of the full value of the property as
18 determined for purposes of property taxation or at least 40 percent
19 of the fair market value as determined by the Controller and where
20 the Controller determines that the state’s interest is adequately
21 protected. The 40-percent equity requirement shall be met ~~at the~~
22 ~~each~~ time the claimant or authorized agent files ~~an initial a~~
23 ~~postponement claim and tenders to the tax collector the initial~~
24 ~~certificate of eligibility described in Sections 20602, 20639.6, and~~
25 ~~20640.6.~~ *claim.*

26 (2) Any residential dwelling in which the claimant’s interest is
27 held pursuant to a contract of sale or under a life estate, unless the
28 claimant obtains the written consent of the vendor under the
29 contract of sale, or the holder of the reversionary interest upon
30 termination of the life estate, for the postponement of taxes and
31 the creation of a lien on the real property in favor of the state for
32 amounts postponed pursuant to this act.

33 (3) Any residential dwelling on which the claimant does not
34 receive a secured tax bill.

35 (4) Any residential dwelling in which the claimant’s interest is
36 held as a possessory interest, except as provided in Chapter 3.5
37 (commencing with Section 20640).

38 SEC. 23. Section 20583.1 of the Revenue and Taxation Code
39 is repealed.

1 SEC. 24. Section 20584 of the Revenue and Taxation Code is
2 amended to read:

3 20584. (a) “Property taxes” means all ad valorem property
4 taxes, special assessments, and other charges or user fees which
5 are attributable to the residential dwelling on the county tax bill
6 and the ad valorem property taxes, special assessments, or other
7 charges or user fees appearing on the tax bill of any chartered city
8 which levies and collects its own property taxes.

9 (b) Whenever a residential dwelling is an integral part of a larger
10 tax unit, such as a duplex, farm or a multipurpose building,
11 “property taxes” shall be the percentage of the total property taxes
12 as the value of the residential dwelling is of the value of the total
13 tax unit.

14 (c) “Property taxes” means property taxes for current fiscal
15 years for which the claim is made and excludes delinquent taxes
16 for prior fiscal years.

17 SEC. 25. Section 20602 of the Revenue and Taxation Code is
18 amended to read:

19 20602. Upon approval of a claim described in Section 20601,
20 the Controller shall make payments directly to a county tax
21 collector for the property taxes owed on behalf of a qualified
22 claimant. Payments may, upon appropriation by the Legislature,
23 be made out of the amounts otherwise appropriated pursuant to
24 Section 16100 of the Government Code that are secured by a
25 secured tax lien and obligation as specified by Article 1
26 (commencing with Section 16180) of Chapter 5 of Division 4 of
27 the Government Code.

28 SEC. 26. Section 20621 of the Revenue and Taxation Code is
29 amended to read:

30 20621. Each claimant applying for postponement under Article
31 2 (commencing with Section 20601) shall file a claim under penalty
32 of perjury with the Controller on a form supplied by the Controller.
33 The claim shall contain all of the following:

34 (a) Evidence acceptable to the Controller that the person was a
35 “senior citizen claimant” or a “blind or disabled claimant.”

36 (b) A statement showing the household income for the period
37 set forth in Section 20503.

38 (c) A statement describing the residential dwelling in a manner
39 that the Controller may prescribe.

1 (d) The name of the county in which the residential dwelling is
2 located and the address of the residential dwelling.

3 (e) The county assessor's parcel number applicable to the
4 property for which the claimant is applying for the postponement
5 of property taxes.

6 (f) (1) Documentation evidencing the current existence of any
7 abstract of judgment, federal tax lien, or state tax lien filed or
8 recorded against the applicant, and any recorded mortgage or deed
9 of trust that affects the subject residential dwelling, for the purpose
10 of determining that the claimant possesses a 40-percent equity in
11 the subject residential dwelling as required by paragraph (1) of
12 subdivision (b) of Section 20583.

13 (2) Actual costs, not in excess of fifty dollars (\$50), paid by the
14 claimant to obtain the documentation shall reduce the amount of
15 the lien for the year, but not the face amount of the payment
16 prescribed in Section 16180 of the Government Code.

17 (g) Other information required by the Controller to establish
18 eligibility.

19 SEC. 27. Section 20622 of the Revenue and Taxation Code is
20 amended to read:

21 20622. The claim for postponement shall be filed after
22 September 1 of the fiscal year in which the postponement ~~that is~~
23 claimed ~~begins~~, and on or before April 10 of that fiscal year; if
24 April 10th falls on Saturday, Sunday, or a legal holiday, the date
25 is extended to the next business day.

26 SEC. 28. Section 20623 of the Revenue and Taxation Code is
27 amended to read:

28 20623. (a) No person shall file a claim for postponement under
29 this chapter on or after the effective date of the act adding this
30 section, and the Controller shall not accept applications for
31 postponement under this chapter on or after that date.

32 (b) This section shall become inoperative on July 1, 2016, and
33 as of January 1, 2017, is repealed.

34 SEC. 29. Section 20639.10 of the Revenue and Taxation Code
35 is amended to read:

36 20639.10. The Controller shall maintain a record of all persons
37 who have received postponement amounts pursuant to this chapter.
38 That record shall include the name and address of the claimant,
39 the name and address of the legal owner of the mobilehome, the
40 name and address of any other party whose consent is required by

1 this chapter, and any other information deemed necessary by the
2 Controller for administration purposes.

3 SEC. 30. Section 20639.11 of the Revenue and Taxation Code
4 is amended to read:

5 20639.11. All amounts postponed pursuant to this chapter shall
6 be due if any of the following occurs:

7 (a) The claimant ceases to occupy the residential dwelling as
8 the principal place of residence, ~~sells~~ *sells*, or otherwise disposes
9 of his or her mobilehome.

10 (b) The claimant dies. However, if the surviving spouse was
11 previously approved pursuant to this chapter continues to occupy
12 the mobilehome, then the postponed amounts shall not be due
13 unless that person dies or ceases to occupy the residential dwelling.

14 (c) The failure of a claimant to perform those acts required by
15 the legal owner or junior lienholder.

16 (d) The claimant allows any subsequent taxes to remain unpaid
17 or to be transferred to the unsecured roll.

18 (e) Postponement was erroneously allowed because eligibility
19 requirements were not met.

20 SEC. 31. Section 20639.12 of the Revenue and Taxation Code
21 is amended to read:

22 20639.12. If the Controller determines that amounts postponed
23 under this chapter have become due and payable, the Controller
24 may take any or all of the following actions:

25 (a) Demand payment of that amount from the claimant, the
26 estate of any decedent claimant, or any person who was a cotenant
27 with the claimant pursuant to the registration card.

28 (b) Direct the Department of General Services to seize and sell
29 any property pledged by the claimant as security for postponement.

30 (c) Request the Attorney General to bring an action to recover
31 amounts postponed under this chapter by the claimant.

32 (d) Utilize any or all of the other enforcement and foreclosure
33 provisions set forth in Article 3 (commencing with Section 16200)
34 of Chapter 6 of Part 1 of Division 4 of Title 2 of the Government
35 Code, as may be applicable.

36 SEC. 32. Section 20645.5 of the Revenue and Taxation Code
37 is amended to read:

38 20645.5. (a) If a postponement claim under Chapter 2
39 (commencing with Section 20581), Chapter 3.3 (commencing with
40 Section 20639), or Chapter 3.5 (commencing with Section 20640)

1 is filed timely before the delinquency date of the second installment
2 of property taxes on the secured roll, then any delinquent penalties,
3 costs, fees, and interest accrued for that fiscal year shall be canceled
4 unless the failure to perfect the claim was due to willful neglect
5 on the part of the claimant or representative.

6 (b) In the event of willful neglect, an electronic funds transfer
7 for that current fiscal year can be used to pay delinquent taxes only
8 if accompanied by sufficient amounts to pay all of the delinquent
9 penalties, costs, fees, and interest. If an amount sufficient to pay
10 all of the delinquent penalties, costs, fees, and interest is not
11 received by the tax collector within 30 days from the date of the
12 electronic funds transfer, the tax collector may return the electronic
13 funds transfer to the Controller to deny the postponement claim.

14 (c) (1) The Controller shall notify the claimant in writing when
15 the electronic funds transfer has been submitted to the tax collector.

16 (2) In the event of willful neglect, in addition to the information
17 required pursuant to paragraph (1), the Controller shall also notify
18 the claimant in writing and provide a copy of the notification to
19 the tax collector, that a payment amount sufficient to pay all of
20 the delinquent penalties, costs, fees, and interest must be received
21 by the tax collector within 30 days from the date of the electronic
22 funds transfer, and that if this payment is not received by the tax
23 collector, the tax collector may return the electronic funds transfer
24 to the Controller to deny the postponement claim.

25 SEC. 33. Section 20645.6 of the Revenue and Taxation Code
26 is amended to read:

27 20645.6. (a) If the Controller denies a postponement claim
28 under Chapter 2 (commencing with Section 20581), Chapter 3
29 (commencing with Section 20625), Chapter 3.3 (commencing with
30 Section 20639), or Chapter 3.5 (commencing with Section 20640),
31 and the denial is reversed after appeal pursuant to Section 20645.1,
32 the Controller shall electronically transfer funds to the county, if
33 the taxes for the fiscal year have been paid, for the amount of the
34 taxes. If the taxes for the fiscal year are delinquent, any resulting
35 penalties or interest shall be canceled.

36 (b) The Controller shall notify the claimant in writing when an
37 electronic funds transfer has been made pursuant to subdivision
38 (a).

39 SEC. 34. The Legislature finds and declares that Section 16 of
40 this act, which adds Section 3376 to the Revenue and Taxation

1 Code, imposes a limitation on the public's right of access to the
2 meetings of public bodies or the writings of public officials and
3 agencies within the meaning of Section 3 of Article I of the
4 California Constitution. Pursuant to that constitutional provision,
5 the Legislature makes the following findings to demonstrate the
6 interest protected by this limitation and the need for protecting
7 that interest:

8 In order to protect those persons subject to enforcement of Part
9 6 (commencing with Section 3351) of Division 1 of the Revenue
10 and Taxation Code against the risk of identity theft, it is in the
11 state's interest to limit public access to information.

12 SEC. 35. No reimbursement is required by this act pursuant to
13 Section 6 of Article XIII B of the California Constitution for certain
14 costs that may be incurred by a local agency or school district
15 because, in that regard, this act creates a new crime or infraction,
16 eliminates a crime or infraction, or changes the penalty for a crime
17 or infraction, within the meaning of Section 17556 of the
18 Government Code, or changes the definition of a crime within the
19 meaning of Section 6 of Article XIII B of the California
20 Constitution.

21 However, if the Commission on State Mandates determines that
22 this act contains other costs mandated by the state, reimbursement
23 to local agencies and school districts for those costs shall be made
24 pursuant to Part 7 (commencing with Section 17500) of Division
25 4 of Title 2 of the Government Code.

26 SEC. 36. This act is an urgency statute necessary for the
27 immediate preservation of the public peace, health, or safety within
28 the meaning of Article IV of the Constitution and shall go into
29 immediate effect. The facts constituting the necessity are:

30 In order to avoid the imminent sale of tax-defaulted dwellings
31 of vulnerable Californians, it is necessary that this act take effect
32 immediately.